



## **STAFF REPORT**

---

### **Resolution Approving Memorandum of Understanding Between the City of Belmont and Mid-Management and Confidential Employees Association**

Honorable Mayor and Council Members

#### **Summary**

Staff recommends that the City Council adopt the attached resolution approving the Memorandum of Understanding between the City of Belmont and Mid-Management and Confidential Employees Association (MMCEA). The Memorandum of Understanding is for a one-year term from July 1, 2004 through June 30, 2005.

#### **Background and Discussion**

The current Memorandum of Understanding (MOU) with MMCEA expired on June 30, 2004. Over the past several months, the City Negotiators (Lee Finney, IEDA, Dan Rich, Assistant City Manager, and Deirdre Dolan, Human Resources Director) and representatives of MMCEA (Bud Stone, MMCEA Chief Negotiator, Ed Wood, Police Captain, Carlos De Melo, Principal Planner, and Vilma Mixco, Technology Specialist) have met and conferred in good faith regarding changes to the 2001-2004 MOU between MMCEA and the City of Belmont. In light of the difficult budget situation, both sides ultimately agreed that a simple one-year contract was best. The attached Settlement Summary lists the changes that have been agreed upon by the City and MMCEA. Changes made were primarily non-controversial contract language updates. However, MMCEA did agree to eliminate the Incentive Award program, resulting in a savings of approximately \$21,000. The City agreed to increase the health plan contribution for MMCEA equivalent to the Kaiser family premium at mid-contract, in order to bring them more in line with other City groups. The MMCEA membership voted on July 20, 2004 to ratify the changes to the contract. The new contract is effective for a one-year term, from July 1, 2004 through June 30, 2005, and is attached as Exhibit A. Deletions are shown as strikeout and new language is underlined.

#### **Fiscal Impact**

The agreement includes no salary increases or significant new cost items. The costs of maintaining the current contract terms for economic items and increasing the medical plan

contribution effective January 1, 2005 are within the approved 2004-2005 budget and no additional allocations are required.

**Recommendation**

Staff recommends that the City Council adopt the attached Resolution Approving the Memorandum of Understanding Between the City of Belmont and MMCEA.

**Attachments**

1. Settlement Summary of 2004 Negotiations with MMCEA
2. Resolution (with Exhibit A, MOU between the City of Belmont and MMCEA)

Respectfully submitted,

---

Deirdre C. Dolan  
Human Resources Director

---

Jere A. Kersnar  
City Manager

**CITY OF BELMONT**  
**SETTLEMENT SUMMARY**  
*MMCEA*  
 July 27, 2004

(Please see attached pages for strikeout/underline version of contract language changes)

Section	Agreement
3	<b>No Discrimination.</b> Revise non-discrimination language consistent with current law
4.1	<b>Employee Representative for Grievances.</b> Update language to reflect current resolution.
5.1	<b>Incentive Pay Plan.</b> Eliminate current plan.
5.1 (new)	<b>Pay Period.</b> Change from semi-monthly pay period schedule to bi-weekly as soon as possible and require direct deposit or pay card for check distribution.
11.2	<b>Administrative Leave.</b> Transition from fiscal year schedule to calendar for ease of administration. Allow Police Captain to cash out up to 24 hours of unused administrative leave time at year end.
11.3	<b>Overtime.</b> Add 80-hour cap on compensatory time off accumulation.
14	<b>Sick Leave.</b> Restructure sick leave section(s) for clarity; change days to hours; move family sick leave provisions to sick leave section for clarity; increase family sick leave time to 80 hours.
15	<b>Leaves of Absence.</b> Restructure sections for clarity; change days to hours; update consistent with current law.
16.1	<b>Hospital and Medical Care Benefits.</b> Remove references to outdated \$16 per month PERS contribution.
16.2	<b>Flexible Benefits Plan.</b> Increase City's flexible contribution to Kaiser family premium effective 1/1/05.
16.7	<b>Retirement.</b> Update language to reflect current plan (e.g., remove old dates)
16.8	<b>Retiree Health Benefits.</b> Update language to reflect current benefits (eliminate reference to \$16, old dates, etc.)
18	<b>Disciplinary Actions.</b> Update to reflect current resolution number.
19.2	<b>Tuition Reimbursement.</b> Update language to reference Personnel Rules.
Appendix	<b>A. Incentive Pay Plan.</b> Delete. <b>B. Salary Schedule.</b> Update to reflect current salaries. <b>C. Deferred Compensation.</b> Correct amounts and job titles.
Other	<b>Term.</b> One year; 7/1/04 – 6/30/05
Side Letter	<b>Layoff Procedures.</b> Agreement to meet and confer to revise the current Section 8 Layoffs for clarity and consistency. <b>Performance Evaluations.</b> Agreement to participate on a labor/management task force to review and revise the performance evaluation system, including the potential development of a city-wide performance bonus system.

**CITY OF BELMONT  
SETTLEMENT SUMMARY  
MMCEA CONTRACT LANGUAGE CHANGES  
July 27, 2004**

**3 No Discrimination**

There shall be no discrimination because of race, creed, color, national origin, sex, sexual orientation, age, physical or mental disability, marital status, medical condition, religion, political activity, or legitimate Association activities against any employee or applicant for employment by the Association or by the City; ~~and to the extent prohibited by applicable state and federal law, there shall be no discrimination because of age. There shall be no discrimination against any handicapped person solely because of such handicap unless that handicap prevents the person from meeting the minimum standards established.~~

**4 Representative Rights**

**4.1 Employee Representatives for Grievances**

Reference is made to "Rule ~~XIV 16~~, Grievance Procedure," to be found in the City of Belmont's Personnel Rules & Regulations," ~~Resolution 6236 adopted by the Belmont City Council on May 27, 1986, and~~ which Rule is herein embodied by reference.

**5 Salary Plan**

**5.1 Incentive Pay Plan**

~~Represented employees will be eligible to receive annual incentive payments in accordance with the City's Incentive Pay Plan as described in Appendix A of this Agreement.~~

~~The City and the Association agree that the Incentive Pay Plan will be funded at a level equal to \$1,000 per employee per year for the life of this Agreement. Eligible employees may receive incentive pay, which will range from \$500 to \$1,500 per year. Incentive payments will be calculated as provided in Appendix A and will be paid within two (2) pay periods following the employee's receipt of the completed evaluation. Incentive payments will be provided in a separate check.~~

**5.1 Paychecks and Pay Period (New)**

All paychecks will be delivered through either direct deposit or a City pay card system.  
As soon as practicable after the effective date of this agreement, the City will convert from a semi-monthly to a bi-weekly payroll system.

**5.2 Salaries**

The salary ranges for represented classifications shall be as set forth in Appendix B, which is attached hereto and made a part thereof. ~~Effective July 1, 2001, all classifications will receive a 6% increase, plus an equity adjustment of one half of the equity amount in excess of 6%. If the total equity amount in excess of 6% is 2% or less, the full equity amount will be paid. Effective January 1, 2002, the remaining one half of the equity adjustment in excess of 6% will be paid.~~

~~Effective July 1, 2002, the salary ranges for the represented classifications shall be increased by 100% of the April 2001 to April 2002 All Urban Consumers (U) Consumer Price Index for the~~

~~San Francisco-Oakland-San Jose area with a minimum increase of 3% and a maximum increase of 6%.~~

~~Effective July 1, 2003, the salary ranges for the represented classifications shall be increased by 100% of the April 2002 to April 2003 All Urban Consumers (U) Consumer Price Index for the San Francisco-Oakland-San Jose area with a minimum increase of 3% and a maximum increase of 6%.~~

## **11 Hours of Work, Administrative Leave, Compensation Time**

### **11.2 Administrative Leave**

In recognition of the demands placed upon members of this unit who are identified as FLSA exempt or Management personnel and are required to work outside of the normal work week, eighty (80) hours of administrative leave shall be granted to all such employees on ~~July~~ January 1 of each ~~fiscal~~ calendar year. Administrative leave must be used in the fiscal calendar year in which it was granted and may not be carried over into a subsequent fiscal year.

In recognition of the amount of time Police Captains are required to be on call, one hundred and four (104) hours of administrative leave shall be granted to such employees on ~~July~~ January 1 of each ~~fiscal~~ calendar year. Eighty (80) hours of such administrative leave must be used in the calendar year in which it was granted and may not be carried over into a subsequent fiscal year. Up to twenty-four (24) hours of unused administrative leave may be paid out at the conclusion of the calendar year at the employee's option.

In order to implement the transition from the current fiscal year schedule to a calendar year schedule, one half of the annual administrative leave hours will be granted on July 1, 2004, and the full annual allotment of administrative leave hours will be granted on January 1, 2005.

### **11.3 Overtime**

Authorized work performed by members of this unit who are identified as FLSA non-exempt ~~or Confidential~~ employees in excess of forty (40) hours in one (1) week shall constitute overtime. All compensable overtime must be authorized by the department head or the department head's designated representative in advance of being worked. If prior authorization is not feasible because of emergency condition, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked. An employee required to work in excess of the regularly scheduled hours of work shall be compensated for each overtime hour worked at the rate of one and one-half (1-1/2) times the employee's regular straight-time rate of pay. Payment for overtime worked will be either cash or compensatory time off upon mutual agreement of the department head and the employee subject to the availability of funds and with consideration of the employee's current accumulation of compensatory time off will be taken at a time agreeable to the employee and his/her supervisor. Employees may accumulate a maximum of 80 hours of compensatory time off; overtime hours accumulated in excess of 80 hours of compensatory time off will be paid at the rate of one and one-half times the employees regular straight time rate of pay.

The above provision for overtime shall be granted in accordance with the state and federal law.

## **14 Sick Leave**

#### **14.1 Accrual and Usage**

Sick leave, with pay, shall be granted to all full-time regular and probationary employees. Sick leave shall not be considered as a right which an employee may use at his/her discretion, but shall be allowed only in case of necessity and actual personal or family sickness or disability. An employee taking sick leave may be required to file a physician's certificate or personal affidavit with the Department Head stating the cause of the absence.

For purposes of computing sick leave, one (1) day shall be considered as eight (8) working hours. In the event that one or more City holidays falls within a period of an employee's illness on sick leave, such holiday shall not be charged against the employee's sick leave balance. Sick leave shall be earned at the rate of one (1) day of each calendar month of service.

A maximum of eighty (80) hours of accumulated sick leave may be taken each calendar year in case an employee's presence is required elsewhere because of sickness or disability affecting the employee's immediate family. The immediate family shall consist of the spouse, children, parents, brothers, sisters, domestic partner or dependents of the employee.

#### **14.4 Pay for Unused Sick Leave Upon Separation from City Service**

Upon resignation, the City shall compensate employees for accumulated sick leave at the rate of twenty-five percent (25%) of days accumulated for employees with at least six (6) but less than twenty (20) years of service with the City and at the rate of thirty-five percent (35%) days accumulated for employees with twenty (20) or more years of service with the City. ~~In either case payment will be made up to a maximum of one hundred twenty (120) accumulated days at the percentage herein specified.~~ This provision shall not apply when an employee is discharged.

Upon retirement or death, the City shall compensate employees for accumulated sick leave at the rate of twenty-five percent (25%) of days accumulated for employees with at least five (5) years but less than ten (10) years of service with the City, and at the rate of fifty percent (50%) for employees with ten (10) or more years of service with the City. ~~In either case payment will be made up to a maximum of one hundred twenty (120) accumulated days at the percentages herein specified.~~ For purposes of this Section, retirement will be defined as receiving a PERS retirement benefit.

### **15 Other Leaves**

#### **15.1 Bereavement and Family Illness Leave**

A maximum of five (5) days of accumulated sick leave may be taken each calendar year in case an employee's presence is required elsewhere because of ~~sickness, disability or~~ death affecting the employee's immediate family. The immediate family shall consist of the spouse, children, parents, brothers, sisters, domestic partner or dependents of the employee. The Department Head may grant such leave because of ~~sickness, disability or~~ death of a member of the employee's household and not a member of the immediate family when the Department Head deems it appropriate to do so.

#### **15.2 Industrial Disability Leave of Absence**

(1) Sworn Management Personnel: Leave with pay shall be granted for a disability caused by illness or injuring arising out of and in the course of his/her employment, in accordance with Section 4850 of the Labor Code of the State of California. (2) Civilian Personnel: Leave with pay shall be granted for a disability caused by illness or injury arising out of and in the course of his/her employment, as defined by the Workers' Compensation laws of the State of California, for the period of such disability to a maximum of ~~ten (10) days~~ eighty (80) hours.

During the period the employee is paid by the City, the employee shall endorse to the City any

benefit payments received as a result of Workers' Compensation Insurance Coverage. The City reserves the right to withhold payment of any disability benefits until such time as it is determined whether or not the illness or injury is covered by Workers' Compensation.

The benefits of Sick Leave and Disability Leave shall be mutually exclusive and no sick leave benefits may be used for the purposes specified under this Section.

If the employee's disability caused by illness or injury arising out of and in the course of the employee's employment extends beyond the ~~ten (10) days~~ eighty (80) hours described above, the employee may integrate his/her unused sick leave, vacation leave, and compensatory time-off accruals with the Workers' Compensation payments provided that the sum of the Workers' Compensation payments and paid leave does not exceed the employee's regular rate of pay for said period.

Industrial disability leave may not exceed twelve (12) months and ten (10) days unless extended by the City Manager whose decision shall be final.

The City shall continue to pay the insurance premiums for the employee when an employee is on an industrial disability leave of absence without pay in accordance with this Section.

### **15.3 Non-Industrial Disability Leave Without Pay**

An employee who is disabled by reason of illness or injury which is not job-incurred may be granted a leave of absence without pay so long as such disability continued and is substantiated by a physician's statement. Such leave shall not exceed twelve (12) months and may be granted only after the employee has used all the employee's accrued sick leave. At the employee's option, accrued vacation and compensatory time off may be used during the period of such leave.

When such disability is by reasons of pregnancy, child birth or related medical conditions, as substantiated by a physician's statement, a leave of not less than six (6) weeks shall be granted. If such disability continues beyond that period, leave shall be granted to a maximum of four (4) months, at which time the disabled employee shall be subject to the provisions of paragraph 1 above. The total leave granted under this Section shall not exceed twelve (12) months. The disability leave for pregnancy, childbirth or related medical conditions shall be granted in accordance with applicable state and federal laws.

The City shall continue to pay the insurance premiums for the employee when an employee is on a non-industrial disability leave of absence without pay in accordance with this Section.

### **15.7 Seniority Rights, and Salary Adjustments & ~~Payment of Insurance Premiums While on~~**

**LOA** Authorized leave of absence without pay which exceeds two (2) weeks for (1) leave of absence for personal reasons; (2) leave of absence for non-industrial illness or injury; or (3) leave of absence for industrial illness or injury shall not be included in determining salary adjustments. Authorized leave of absence without pay which exceeds thirty (30) calendar days for (1) leave of absence for personal reasons; (2) leave of absence for non-industrial illness or injury; or (3) leave of absence for industrial illness or injury shall not be included in determining seniority rights.

~~The City shall continue to pay the insurance premiums for the employee when an employee is on a leave of absence without pay as a result of an industrial or a non-industrial disability in accordance~~

~~with this Section.~~

## **16 Health and Welfare Plans; Retirement Plan**

### **16.1 Hospital/Medical Plans**

~~The City's contribution to provide hospital and medical care benefits for the individual employee and his/her eligible dependents shall be sixteen dollars and no cents (\$16.00).~~

The City will participate in the Public Employees' Medical and Hospital Care Act (PEMHCA) medical plans, as administered by PERS, and make contributions as required by PEMHCA for active and retired employees.

### **16.2 Flexible Benefits Plan**

The City shall offer an Internal Revenue Code Section 125 Plan which contains the components of premium conversion, health care reimbursement account, dependent care reimbursement account, and cash option. Effective the first pay period following ratification the City shall continue to contribute five hundred twenty-five dollars and seventy-five cents (\$525.75) six hundred fifty-nine dollars and ninety-two cents (\$659.92) per month toward each employee's Section 125 Plan components. An employee may use any and all such funds toward the cost of employer-provided health insurance for the employee and eligible dependents. An employee may use any and all such funds as contributions into the health care reimbursement account, dependent care reimbursement account, deferred compensation, or cash option.

~~Effective January 1, 2002 and e~~ Each January 1 thereafter of each year of the contract, the City's contribution toward the Internal Revenue Code Section 125 Plan shall be increased by fifty percent (50%) of the amount of any increase from the previous January 1st in the cost for full family coverage under the Kaiser health plan.

Notwithstanding other provisions of this section, for the period January 1, 2005 through June 30, 2005, the City will contribute nine hundred twenty-two dollars and nineteen cents (\$922.19) per month toward each employee's Section 125 Plan components.

### **16.7 Retirement**

The City shall contract with PERS to provide a retirement plan, which includes the ~~2~~ 3% at 50 formula for sworn public safety employees effective July 1, 2005; and the 2% at 55 formula for miscellaneous employees, ~~effective July 1, 1996. As soon as feasible following agreement with all miscellaneous employees, the City will amend its PERS contract to provide~~ The miscellaneous plan will include the following optional benefits: Credit for Unused Sick Leave; Industrial Disability Retirement for Local Miscellaneous Members; and Fourth Level of 1959 Survivor Benefits.

Employees will pay the full amount of the employee-share of the PERS retirement contribution (7% or 9%) on a before-tax basis in accordance with the IRS Section 414(h)(2).

### **16.8 Retiree Health Benefits**

(A) An employee who retires in accordance with PERS regulations after five (5) years of continuous employment with the City of Belmont shall be ~~entitled to sixteen dollars (\$16.00) per month for his or her hospital and medical care premiums~~ eligible to participate in the PERS health care program. The City will contribute to PERS the mandated minimum employer contribution for such health plan participation.



- (B) An employee who retires in accordance with PERS regulations after fifteen (15) years of continuous employment with the City of Belmont shall be entitled to monthly reimbursement of the expenses he or she incurs for hospital and medical care premiums for his or her individual coverage only.
- (C) An employee who retires after ~~the effective date of this contract (July 1, 2001)~~ and who retires in accordance with (B) above shall be entitled to monthly reimbursement of hospital and medical care premiums up to a maximum of the amount paid by the City of Belmont for single employee coverage under the Kaiser Health Care Plan.
- (D) A retiree shall be entitled to participate in the City's dental plan at his or her own cost.

## **18 Disciplinary Actions**

The City Manager or Department Head may discipline, which may include but not be limited to suspension, discharge, or demotion of employees for cause. The action imposed upon an employee may be processed as a grievance pursuant to Rule ~~XIV~~ 16, Personnel Rules and Regulations, per City Council Resolution ~~6236~~ 9486.

## **19 Special Provisions**

### **19.2 Tuition Reimbursement**

The City's administrative policy, as confirmed in ~~the memo from the City Manager dated May 18, 1998~~ Section 20.3 of the Personnel Rules and Regulations, regarding tuition reimbursement shall continue for the term of this Memorandum of Understanding and not exceed \$1,000 per annum, per employee.

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT  
APPROVING MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF BELMONT AND MID-MANAGEMENT AND  
CONFIDENTIAL EMPLOYEES ASSOCIATION.

WHEREAS, the City of Belmont and Mid-Management and Confidential Employees Association (MMCEA) have been negotiating in good faith; and

WHEREAS, the parties have come to an agreement on the terms of a labor settlement;  
and

WHEREAS, the attached Memorandum of Understanding has been amended to reflect those mutual agreements for the period July 1, 2004 to June 30, 2005.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Belmont that the Memorandum of Understanding, attached hereto and made a part hereof, is approved effective July 1, 2004 and that the City Manager is authorized to sign same on behalf of the City.

\* \* \* \* \*

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on July 27, 2004 by the following vote:

AYES, COUNCILMEMBERS: \_\_\_\_\_

NOES, COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN, COUNCILMEMBERS: \_\_\_\_\_

ABSENT, COUNCILMEMBERS: \_\_\_\_\_

\_\_\_\_\_  
CLERK of the City of Belmont

APPROVED:

\_\_\_\_\_  
MAYOR of the City of Belmont